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5 SEM TDC DTAX-I 4 (Sp)

2015

(November)

COMMERCE

(Speciality)



Course : 504

(Direct Tax—I)

Full Marks : 80

Pass Marks : 32

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. (a) Write True or False : $1 \times 4 = 4$

- (i) A resident in India cannot become a resident in any other country for the same assessment year.
- (ii) An income under the head 'Capital Gains' to a trade union is taxable.

(iii) If rent is paid for a house situated in New Delhi, the house rent allowance shall be exempted to the maximum extent of 40% of salary.

(iv) The circulars issued by the CBDT are binding on the income-tax authorities.

(b) Choose the correct answers to the following : 1×4=4

(i) Income which accrues or arises outside India and also received outside India is taxable in case of

- (1) resident only
- (2) not ordinarily resident
- (3) both ordinarily resident and not ordinarily resident

(ii) Rent received from agricultural land is

- (1) fully exempted
- (2) partially exempted
- (3) not exempted

(iii) Leave travel concession is a tax-free perquisite

- (1) for one journey per year
- (2) for one journey in a block of 4 years
- (3) for two journeys in a block of 4 years

(iv) An assessee has borrowed money for purchase of a house, and interest is payable outside India. Such interest shall

- (1) be allowed as deduction
- (2) not be allowed as deduction
- (3) be allowed as deduction, if the tax is deducted at source

2. Write short notes on any *four* of the following : $4 \times 4 = 16$

- (a) Assessee
- (b) Person
- (c) Concept of Tax
- (d) Charge of Income-Tax
- (e) Return of Tax
- (f) Gross Total Income

3. (a) Explain in brief various incomes which are exempted u/s 10 of the Income-tax Act, 1961.

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Or

(b) Write an explanatory note on 'Tax Holiday' for newly established units in SEZ.

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4. (a) From the following information, compute the taxable income for the assessment year 2014-15 under the head 'Salaries' of Shri Krishna who is working at Guwahati :

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(i) Basic salary—₹ 20,000 p.m.

(ii) Dearness allowance—₹ 6,000 p.m.

(iii) He gets house rent allowance @ ₹ 3,000 p.m. He pays a rent of ₹ 4,000 p.m.

(iv) The employer provided him the facility of a gardener and a cook, each of whom is being paid a salary of ₹ 600 per month.

- (v) He is provided with a motor car of 1.8 ltr. capacity engine with a driver which was used partly for official purpose and partly for private.
- (vi) Employer's contribution to a recognised provident fund is @ 15% of salary and interest credited to this fund @ 13% amounted to ₹ 13,000.
- (vii) Medical expenses paid by employer is ₹ 20,000 for medical treatment in a private hospital.
- (viii) He took an advance salary for two months.
- (ix) A lunch allowance @ ₹ 100 per day was given for 300 days during the previous year.
- (x) He paid professional tax of ₹ 3,500 per annum.

Or

- (b) Name the different kinds of provident fund, of which a salaried person may be a member, and state the income-tax provisions regarding each. 7+7=14

5. (a) Define annual value. How is it determined? What deductions are allowed from annual value in computing taxable income from house property?

4+4+6=14

Or

(b) Sri Ram has two house properties situated in Kolkata. House I is self-occupied for the first 6 months, i.e., from 01-04-2013 to 30-09-2013 and w.e.f. 01-10-2013 it is let out for ₹ 25,000 per month. House II is let out w.e.f. 01-04-2013 at a rent of ₹ 20,000 p.m. and w.e.f. 01-10-2013 it was self-occupied as Sri Ram shifted his residence from House I to House II.

The other details of the above two house properties are as follows :

	House I	House II
	₹	₹
Municipal tax paid	35,000	30,000
Insurance premium paid	5,000	6,000
Interest on money borrowed for purchase of house property	45,000	50,000

Compute the income from house property of Sri Ram for the assessment year 2014-15.

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6. (a) Write short notes on the following :

5+5+4=14

- (i) Central Board of Direct Taxes
- (ii) Commissioner of Income Tax
- (iii) Deputy Commissioner of Income Tax

Or

(b) What are the authorities provided by the Income-tax Act for the administration of tax? Discuss briefly the powers of an income-tax officer.

4+10=14

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